

Would a broadcast flag requirement limit the development of future equipment providing consumers with new options?

If only the set of Digital Rights Management technologies specified by a group of content owners is permitted to implement a broadcast flag, then the content owners effectively control the viewing experience of the consumer.

The control can and likely will be used for purposes quite foreign from the protection of intellectual property. For example, the technologies may prohibit skipping of advertisements. The technologies may prevent movie audio tracks from being transferred to a portable audio player; thus forcing consumer to buy the same audio again in another protected format. This may be profitable to the content owners, but clearly limiting as to consumer options.

What will be the cost impact, if any, that a broadcast flag requirement would have on consumer electronics equipment?

Such government mandates have historically raised the prices of consumer products. This is only logical as additional hardware, software, and engineering effort would be required to make a device "tamper resistant".

This would further delay the consumer acceptance of digital TV or HDTV. The advances in picture quality is clearly not sufficient to generate consumer interests at the current price levels as shown by the miniscule HDTV sales figures. What may turn consumers on is more flexibility on how to enjoy their programs and access to related materials. A broadcast flag scheme would further straitjacket the consumer and raise the prices of HDTV sets: both disincentives to the adoption of digital TV any time soon.